

DRAFT



**SCOTTSDALE HOUSING BOARD
One Civic Center 3rd Floor Conference Room
7447 E. Indian School Road, Scottsdale AZ
December 14, 2004
MINUTES**

PRESENT: Del Monte Edwards, Chair
Joseph Priniski, Vice Chair
Barbara Williams
Robert Southworth
Gary Morgan

STAFF: Molly Edwards, Housing Resources Manager/Staff Liaison
Mark Bethel, Community Assistance Manager

OTHERS PRESENT FOR ALL OR PORTIONS OF THE MEETING:

Judy Register
Connie James

CALL TO ORDER

Chair Edwards called the regular meeting of the Scottsdale Housing Board to order at 5:04 p.m.

APPROVAL OF MINUTES

November 9, 2004 Housing Board.

Board Member Priniski made a motion to approve the minutes of the November 9, 2004, meeting as presented. Board member Morgan seconded the motion and passed unanimously.

SECTION 8 STAFF UPDATE

Mr. Bethel provided an update on the Section 8 program. He reported as of December 2004, Scottsdale Housing Agency's Utilization Rate 99.3% (# units leased / # units available). The Scottsdale Housing Agency's total Annual Consolidation Contract (ACC) units awarded by HUD is 672 effective August 1, 2003. There are over 460 clients currently on the Waiting list with 7 clients currently seeking units in the rental marketplace.

He reviewed the Section 8 funding for 2005 explaining that Congress approved the final FY 2005 omnibus appropriations bill (HR 4818) that included \$13.355 billion for the Section 8 Housing Choice Voucher Program, a \$634 million increase from 2004. The bill also contains a \$10 million decrease in Section 8 administrative funds compared to 2004. The bill contains a budget-based methodology for renewing vouchers, similar to the system in place in FY 2004. The bill's method bases renewals on agencies' average weighted HAP costs and leasing during the May through July 2004 period. This information will continue to be reported in the Voucher Management System, adjusted by the applicable Annual Adjustable Factors for 2005, which has not been published by HUD at this point. The bill now changes the HVC funding process to a calendar year program. No over leasing is permitted.

He reported the Scottsdale Housing Agency will not know its specific funding amount until December 17, 2004, when a letter will be sent by the Financial Management Center. He responded to questions and comments from the Board members' regarding the Section 8 Program. It was noted that one of the barriers for families is that there are not a lot of three and four bedrooms for rent in the rental community for families that cannot afford to purchase a home. It was also noted that this community has a larger number of seniors compared to other larger cities.

Board Member Williams requested staff provide a breakdown of the available 1, 2,3, and 4 bedroom units along with price because there are not a lot of units available for families in distress. A discussion ensued on the difficulties of finding affordable family housing in Scottsdale. It was noted that many single parents are leaving the city.

Mr. Bethel provided an update on the HUD Opt Out of Casa de Amigos. He reported Casa de Amigos is a 35 unit, federally subsidized rental property at 303 N. Miller Road. The National Farmworkers Service Center, a non-profit subsidiary of the United Farmworkers out of Los Angeles, purchased this property in 2001. The original term of the Section 8 contract was scheduled to expire in March 2002; the option to continue the contract is up to the National Farmworkers. On an annual basis, the National Farmworkers is obligated to provide HUD with a 12-month notice if they intent to continue to keep the property as a opt out of the contract and let it expire. He explained opt out refers to the property owner's ability to choose the option of not renewing the Section 8 contract with HUD.

Mr. Bethel explained that the trigger for the City of Scottsdale's involvement is when the National Farmworkers notifies HUD (by November 2, 2004) that they are "opting out" of their HUD contract. HUD representatives have received the notice and have contacted the Scottsdale Housing Agency to coordinate the opt out process and have HUD award 35 "Enhanced Vouchers" to the Scottsdale Housing Agency for Casa de Amigo residents. The Scottsdale Housing Agency will conduct interviews of the residents in January 2005. Once the Casa de Amigos residents receive their vouchers, they have the ability to lease a rental property anywhere in Scottsdale; they are not required to stay at Casa de Amigos. Funding for the Enhanced Vouchers will start April 1, 2005. Initial review of the resident data indicates that:

- 10 residents have very low income (below 50% median income)
- 24 residents have extremely low income (below 30% median income)
- Average gross income is \$10,040

Mr. Bethel responded to questions and comments from the Board members' regarding the HUD opt out of Casa de Amigos. It was noted that the real concern is that the city is losing an affordable rental asset in the community that has three and four bedroom rental units. The comment was made that this issue needs to be addressed with HUD. Chair Edwards requested at the next meeting staff provide a list of the remaining available opt out units. The Board should discuss how they can be kept affordable.

Board Member Morgan inquired if this property is being sold by National Farmworkers. Mr. Bethel stated it is his understanding the intention is to convert the rental property into condos. Board Member Williams stated the Board needs to address the issue of how many apartments are being turned into condos. Board Member Morgan stated he would like information on the mindset of why people are coming in and converting these properties. Ms. Edwards stated that as she has been doing research in the Planning Department she has learned that one of the primary reasons for doing conversions is because the rental market is soft so they convert them over to condos get their profit and get out.

UPDATE ON JOINT HOUSING BOARD AND HUMAN SERVICE MEETINGS

Chair Edwards stated that he met with the Chair of the Human Services Commission to discuss issues regarding the funding process. He further stated that they definitely want the Housing Board involved. He noted that he was not sure how the voting process would work.

Ms. James provided an overview of how the review of applications and funding process would work with the Human Services Commission and Housing Board. She explained that the Housing Board and Human Services Commission members' will receive scoring sheets and after each presentation, each member will score the presentation then the scoring sheets will be presented to staff. Staff then would compile and derive an average score for each proposal then a worksheet will be put together ranking the proposals lowest to highest. There will also be a group discussion and hopefully because the group

has discussed the proposals together they will be in sync when it comes time to vote. Ms. James and Mr. Bethel responded to questions and comments from the Board members' regarding the process.

Mr. Bethel provided a brief overview of the applications that have been received.

Ms. James reviewed the meeting schedule:

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| January 27, 2005 | Joint Human Services/Housing Board Meeting
CDBG, General Funds, Scottsdale Cares, and Endowment Fund
Orientation and review of applications for Commission members.
Vista Del Camino – Yaqui Room 7700 E. Roosevelt |
| February 7, 2005 | Joint Human Services/Housing Board Meeting
CDBG, Presentations
Urban Design Studio – 7506 E. Indian School Road |
| February 9, 2005 | Scottsdale Cares presentations
Kiva City Hall
3939 N. Drinkwater Boulevard |
| February 24, 2005 | Joint Human Services/Housing Board Meeting
Informal discussion of CDBG, HOME, General Funds, Scottsdale
Cares and Endowment Fund funding allocations.
Via Linda Senior Center – 10400 E. Via Linda |

Ms. Edwards reminded the Board that they had rescheduled the regular Housing Board meeting on February 8, to February 15. She inquired if the Board felt they still needed that meeting? The consensus of the Board was to cancel the February 15, 2005 regular Housing Board meeting.

Chair Edwards stated regarding the February 9th meeting for the Scottsdale Cares presentations, at a previous meeting the Board had determined we would only participate if there applications were housing related.

Mr. Bethel provided a brief review of the Scottsdale Cares applications. Ms. James explained that many of the Scottsdale Care applications are social service type applications and the majority of the applications deal with homelessness prevention.

Chair Edwards stated at the Board retreat we discussed wanting to be involved in making policy and because Scottsdale Cares applications are more social services related he felt they do not directly relate to this Board.

Board Member Morgan moved that the Housing Board does not participate in the February 9, 2005 Scottsdale Cares application hearing. Second by Board Member Williams and passed unanimously.

HOUSING PROGRAM RESEARCH

Ms. Edwards discussed the white papers and inquired whether the Board chooses to support any of the final recommendations from the consultant. She explained the reason this request is before the Board is because Steve Capobres requested Rich Crystal provide him with all of the white papers. Given the fact that the Housing Board has not decided to support the white papers or not she wanted to take this opportunity to allow the Board a chance to review them and determine whether they are supportive or not. Ms. Edwards reported that the City has already implemented some of the information from the white papers in the revitalization efforts.

Board Member Williams expressed her concern regarding taking an all or nothing approaches because she is opposed to White Paper No. 3.

Board Member Williams moved that the Board oppose White Paper No. 3. Second by Board Member Priniski.

Chair Edwards stated at the retreat the Board identified seniors at the top of the list of problems we wanted to address. Board Member Williams stated that she is not disagreeing but felt there are other solutions for seniors.

Board Member Morgan requested information on reverse mortgages. Ms. Edwards provided an overview on how reverse mortgage work. Board Member Williams discussed some of the problems associated with reverse mortgages. Ms. Edwards noted that the consultant was only providing options.

Chair Edwards called for the vote. The motion passed unanimously.

The Board discussed the problems associated with code enforcement. Ms. Edwards presented information regarding how Phoenix handles code enforcement and their slum lord ordinance.

Board Member Williams stated that she did not see a problem with giving the white papers to Mr. Capobres without the information on reverse mortgages with the caveat that the Board is still considering these.

Board Member Williams moved to present the white papers to Mr. Capobres with the understanding that the Board is deliberating with the exception of No. 3. Second by Mr. Priniski and passed unanimously.

CHAIR'S REPORT

Chair Edwards reported that he attended many of the CDA meetings and they are still in the formation stage. He suggested adding an update on the CDA activities as a future agenda item.

Board Member Morgan stated that perhaps the Board could look at the Bellevue area as a possible signature project. He requested an update on the ASU technology Center. Chair Edwards stated the city has formed a ASU working group and all members of the public are invited to attend.

Board Member Morgan requested an update on the Stardust Affordable Housing Consortium. He also requested staff provided the Board with a list of the upcoming housing projects. Ms. Edwards replied that would be difficult because there is so much activity.

ADJOURNMENT

A motion was made by Board Member Southworth to adjourn the meeting. Board Member Priniski seconded the motion. The regular meeting of the Scottsdale Housing Board was adjourned at 7:25 p.m.

Respectfully Submitted,

"For the Record" Court Reporters